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WT Docket No. 94-147 WTB Exhibit No. 10.

# **Federal Communications Commission**

1270 Fairfield Road Gettysburg, PA 17325-7245

May 27, 1994

VIA FACSIMILE - CERTIFIED MAIL - RETURN RECEIPT REQUESTED - REGULAR MAIL

Dennis C. Brown, Esquire Brown and Schwaninger Suite 650 1835 K Street, N.W. Washington, DC 20006

Re: Compliance File No. 94G001; James Kay

Dear Mr. Brown:

This is in response to your letter of May 26, 1994, submitted on behalf of James A. Kay, Jr.

In paragraphs two and four of your letter you asked that we clarify the "call sign and licensee information requested by item one which (we) do not already have in our possession and which (we) have any actual need for Mr. Kay to submit." If that was your intended wording, it is readily apparent that if we were assured we had all the information we needed in order to carry out our statutory responsibility in this case, we would not request more. Your letter asks us to determine what we do not have and clarify it, a daunting if not impossible task for anyone.

Our requests for information referred to in paragraphs three and five of your letter, relating to systems on U.S. Forest Service land, are self-explanatory.

Regarding the request for user information, we have no intention of disclosing Mr. Kay's proprietary business information, such as customer lists, except to the extent we would be required by law to do so. Our intent is not to divulge Mr. Kay's proprietary business information to competitors or any non-Commission personnel, but rather to carry out our statutory responsibility to determine whether grant of an application or retention of a license is in the public interest.

Your response on behalf of Mr. Kay in paragraph eight is ludicrous. We asked for the total number of units operated on each station. Your answer of "7,000" is hardly helpful and is not acceptable unless you are contending that each system



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serves 7,000 mobiles and control stations. We respectfully suggest that a substantial time savings would result to both the Commission and Mr. Kay if the effort devoted to submitting a frivolous answer such as that were instead devoted to gathering information the Commission has rightfully requested.

In regard to what action you would expect to take if a hearing were designated, that is a decision you and your client would have to make at the appropriate time, and we cannot advise you in that regard.

Mr. Kay's response remains due on June 3, 1994.

Sincerely,

W. Riley Hollingsworth

Deputy Chief, Licensing Division

WT Docket No. 94-147 WTB Exhibit No. 11.

JUN - . 3 1994 -

#### **BROWN AND SCHWANINGER**

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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GETTYSBURG OFFICE 1270 FAIRFIELD ROAD, SUITE 16 GETTYSBURG, PENNSYLVANIA 17325

June 2, 1994

W. Riley Hollingsworth Deputy Chief, Licensing Division Federal Communications Commission Gettysburg, Pennsylvania 17325

> Re: Compliance File No. 94G001 Application Nos. 415060, 415243, 415255, 415274, 415303, 415304, 628816, 632210

#### Dear Mr. Hollingsworth:

We represent the radio system interests of James A. Kay, Jr. before the Federal Communications Commission. On behalf of Mr. Kay, we hereby respond to various letters from your office concerning the above referenced matters.

1) In response to Item one of your letter dated January 31, 1994, Mr. Kay states that he holds radio station licenses in his own name, as an individual. Mr. Kay owns an interest in two closely-held corporations, namely, Buddy Corp. and Oat Trunking Group, Inc. Each of those corporations holds a small number of licenses. However, the Commission's requirements for construction and loading of the stations authorized to the two corporations do not affect Mr. Kay's eligibility to hold any other license. Mr. Kay states that he does not operate any station of which either he or the two above named corporations is not the licensee.

Mr. Kay leases various types of radio equipment, including community repeater facilities, to a number of customers, each of whom holds its own license to operate the facility. However, the leasing of radio equipment, including community repeater equipment,



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is not regulated by the Commission and the Commission does not appear to hold persons who are in the position of lessors of radio communications equipment responsible in any way for operation of such facilities.

Mr. Kay does not, of course, hold any license of which the Commission would not have its own record. Accordingly, the Commission already has possession of all of the information which it requested concerning the call signs and licensee names of stations which are owned or operated by Mr. Kay or by any company under which he does business. Therefore, we trust that this information is fully responsive to the Commission's request for the call signs and licensee names of all facilities which are owned or operated by Mr. Kay or by any company under which he does business.

In response to the Commission's request that Mr. Kay "annotate those facilities which are located on U.S. Forest Service land," Mr. Kay respectfully declines to supply that information for the reason that whether or not a station is located on U.S. Forest Service land is irrelevant to the stated purpose of the Commission's inquiry. The Commission's jurisdiction does not extend to regulation of the use of Forest Service land, and neither the Communications Act nor the Commission's Rules prohibit the location of a radio facility on U.S. Forest Service land. Therefore, whether a station is or is not located on U.S. Forest Service land would be immaterial and irrelevant to a determination of whether Mr. Kay is qualified to be a Commission licensee. Consequently, the Commission has no need for and no authority to request information concerning the identity of all stations which are located on Forest Service land.

Your recent letters have indicated that certain complaints have alleged that certain facilities licensed to Mr. Kay are on U.S. Forest Service land, but do not have the requisite permits for such use. The Commission has taken the position that "the presumption is that those facilities were not constructed and made operational as required by the Commission's rules and therefore, the licenses have cancelled." While the Commission's recent letters have taken that position, they have not disclosed the nature or extent of proof required to overcome the alleged presumption. Accordingly, Mr. Kay respectfully submits that providing the information requested, namely, an annotation of those stations which are located on U.S. Forest Service land might be nothing more than an exercise in rutility, because the Commission has not informed Mr. Kay whether the provision of such information would be sufficient to overcome the alleged presumption.

At Item one of its request, as well as at items three and four of its request, the Commission made inquiry concerning stations which Mr. Kay had, in fact, constructed and placed in operation, but for which, if any, he did not hold a U.S. Forest Service permit. The timely construction and placing in operation of an authorized facility is exactly what the Commission expects of a licensee. Therefore, we respectfully submit that evidence that

Mr. Kay had constructed a station on U.S. Forest Service land and placed it in operation would not raise any question, whatsoever, concerning his qualifications to be a Commission licensee. Accordingly, any information which the Mr. Kay might submit in response to the Commission's request that he identify stations which he had constructed and placed in operation on Forest Service land could not possibly demonstrate that he was not qualified to be a Commission licensee.

Had any license held by Mr. Kay cancelled automatically because he failed to construct an authorized station in a timely manner, we respectfully submit that such an automatic action of law could not, in any way, raise a question concerning his qualifications to be a Commission licensee. Had any license cancelled automatically because Mr. Kay failed to construct the authorized facilities and place them in operation in a timely manner, then Mr. Kay would no longer hold a license for such station, and whether he were qualified to hold any such license would be moot. Because Sections 90.155, 90.269, and 90.631(f) of the Commission's Rules provide for the routine, automatic cancellation of a license if the authorized facilities are not constructed and placed in operation in a timely manner, no failure to construct facilities and place them in operation in a timely manner violates either the Communications Act or any of the Commission's Rules. Accordingly, the requested information would not be material to a determination by the Commission of whether Mr. Kay is qualified to be a Commission licensee.

We respectfully suggest that, rather than making an ultra vires request for annotation of all stations which are located on U.S. Forest Service land, that the Commission determine whether the allegations raised by the reported complaints constitute a prima facie case that Mr. Kay has not constructed the facilities which the Commission has authorized. If the Commission determines that the complaint was sufficient to present a prima facie case, then we suggest that the Commission inform Mr. Kay of the exact charges which have been made against him and give him an opportunity to demonstrate that each such challeged station was constructed in a timely manner. If the Commission determines that the allegations are not sufficient to constitute a prima facie case, then we suggest that the Commission disregard the complaint.

2) With respect to Item two of the Commission's January 31, 1994, letter, Mr. Kay respectfully notes that the Commission's Rules do not require him to keep records of the original grant date of station licenses. To the extent that the Commission needs such information, we respectfully submit that that information is already in the Commission's possession and the Commission has no need for Mr. Kay to supply it. With respect to the Commission's request that Mr. Kay provide "the date the licensed station was constructed and placed in operation," we respectfully call to the Commission's attention that the Commission's Rules do not require Mr. Kay to keep any record of that information. To the extent that the Commission's Rules require Mr. Kay to report such information to the

Commission, Mr. Kay has previously reported that information to the Commission and, therefore, the Commission already has that information in its possession.

The Commission has requested that Mr. Kay identify the "type of facility" of each facility for which he holds a license. In its letter to our office dated May 20, 1994, the Commission explained that its request for the "type of facility" was for "the radio service in which the facility was licensed (i.e., YX, GX, YB, GB, etc.)". Mr. Kay respectfully submits that all of the requested information is already within the Commission's possession and can be found within the license information for each station to which Mr. Kay has referred the Commission at item one, above.

- 3) For Mr. Kay's response to Item three of the Commission's January 31, 1994, letter we respectfully refer the Commission to our letter to the Commission on behalf of Mr. Kay dated April 7, 1994, which was received for filing by the Commission on April 8, 1994. We also refer the Commission to item one, above.
- 4) At Item four of the Commission's January 31, 1994, letter, requested that "for those facilities which are authorized on U.S. Forest Service lands, but for which you do not hold a permit, please explain the reason why a permit has not been obtained." Mr. Kay respectfully submits that the Commission's jurisdiction does not extend to the regulation of U.S. Forest Service lands. The reasons why Mr. Kay may or may not hold a U.S. Forest Service permit for a certain radio facility are immaterial to the Commission's regulation of the radio spectrum. Therefore, Mr. Kay respectfully declines to supply the requested information.
- 5 and 6) At Item five of its January 31, 1994, letter, the Commission requested that Mr. Kay supply a user list for each station of which is the licensee or the operator and that he list the total number of units operated on each station. In its letter dated May 20, 1994, the Commission clarified Item six of its request to request "a listing of the total number of units operated on each station for all facilities owned or operated by Kay or by any companies under which he does business." In response to the Commission's clarified request, in our letter to the Commission on behalf of Mr. Kay dated May 17, 1994, Mr. Kay stated that "a total in excess of 7,000 mobile units and control stations operate in association with all of the facilities which he and his companies own or operate." In its letter to our office dated May 27, 1994, the Commission stated that the "answer of '7,000' is hardly helpful and is not acceptable unless you are contending that each system serves 7,000 mobiles and control stations." Mr. Kay hereby clarifies his response of "7,000" to state that that number is a grand total and that he does not contend that each station for which he is authorized serves 7,000 mobile units and control stations.

With respect to the Commission's request that Mr. Kay provide information concerning users as of January 31, 1994, Mr. Kay respectfully submits that such information would neither prove nor disprove the complaints which served as the expressly stated basis for the Commission's letter dated January 31. As does any provider of communications service, Mr. Kay experiences a continual churn of customers onto and off of his facilities. Accordingly, if not with reference to the date of each complaint which the Commission has reportedly received, the information requested concerning users could not be relied upon to establish either the truth or the falsity of the complaints. The Commission's January 31, 1994, letter stated that its request was based on certain complaints. Since the requested information would not reliably establish the veracity of the complaints, the requested information would not allow the Commission to determine whether Mr. Kay is qualified to be a Commission licensee.

With respect to the above referenced applications, Mr. Kay respectfully submits that, except for the application which has been assigned file number 415303, none of the above referenced applications requests the use of a channel for which Mr. Kay is not already a licensee. Application number 415303 requests only the conversion of an existing community repeater which already has customer loading to a private carrier authorization. Accordingly, the loading of existing facilities for which Mr. Kay currently holds a license is not a factor in any of the above referenced applications. Therefore, none of the information which the Commission has requested would be material to a determination of whether the Commission should grant the applications.

In our earlier letters on behalf of Mr. Kay, we explained that Mr. Kay is not convinced that the Commission would keep confidential any information that the Commission requested. In its most recent letter on the subject, the Commission stated that it had no intention of disclosing Mr. Kay's proprietary business information, such as customer lists, except to the extent that the Commission would be required by law to do so. The Commission's expression of its present intent, however, is far from a promise that the Commission would keep all such information confidential. The Commission's recent demand that Mr. Kay supply the Commission with 50 copies of his letter dated April 7, 1994, coupled with its demands that he supply the Commission with 50 copies of the instant response, calls into serious doubt for Mr. Kay the Commission's intent to honor his requests for confidentiality. Because the confidentiality of the information which the Commission has requested concerning the identity of Mr. Kay's customers is crucial to his business, Mr. Kay respectfully submits that his declining to submit such information to an agency which refuses to promise to keep such information confidential is entirely reasonable, and that, in the absence of a promise to keep such information confidential, the Commission's request for such information is not a reasonable exercise of its authority.

To date, the Commission has refused to disclose to Mr. Kay the complaints on which it reportedly based its January 31, 1994, request for information, and has refused to postpone the date for him to respond to the Commission's request until such time as the courts can determine, in currently pending litigation, his right to have disclosure of the complaints on which the Commission's request was reportedly based. Mr. Kay is aware that the Commission has, from time to time, received allegations that Mr. Kay had engaged in serious criminal activity. Not only has the Commission refused to allow Mr. Kay to inspect the complaints which reportedly formed the basis for its request, but the Commission has refused to provide Mr. Kay with immunity from criminal prosecution based on the information which it has requested. The Commission has threatened to impose sanctions on Mr. Kay for failing to comply with the Commission's request for information, including an express intent to sanction him by subjecting him to the cost and loss of time involved in undergoing a hearing before the Commission. With the Commission in the posture of refusing to disclose to Mr. Kay the alleged facts of the complaints which reportedly formed the stated basis for the Commission's request, refusing him a reasonable opportunity to ascertain the specific facts of the reported complaints, refusing to permit him an opportunity to confront his accusers and their accusations, and refusing to provide Mr. Kay with immunity from criminal prosecution, all the while threatening to impose sanctions on Mr. Kay, including the intended abuse of the Commission's hearing process, itself, as a sanction, Mr. Kay respectfully submits that the Commission's January 31, 1994, request is entirely unjustified and unreasonable, and constitutes a violation of Mr. Kay's right to due process of law, as well as a violation of other rights to which Mr. Kay is entitled under the United States Constitution.

We respectfully note that Mr. Kay is filing herewith the number of copies of Mr. Kay's response which are required to be filed by Section 1.51 of the Commission's Rules. The Commission's more recent letters have purported to require that if Mr. Kay claims copyright protection, that he not only file 50 copies of his response, but that he also file a "full justification of how the copyright laws apply, including statutory and case cites with [his] request [sic]". Mr. Kay respectfully submits that it is not the duty of a copyright proprietor to advise any person on the legal basis of Mr. Kay's claim of copyright. Mr. Kay respectfully submits that if any person infringes on his copyright, such person or entity does so at his/its own peril.

Respectfully submitted,

Dennis C. Brown

### DECLARATION

I declare under penalty of perjury under the laws of the United States that the foregoing response to the Commission's request for information is true and correct.

Executed on flane 2. 1994.

Page 7 of 7

WT Docket No. 94-147 WTB Exhibit No. 12.

## **Federal Communications Commission**

1270 Fairfield Road Gettysburg, PA 17325-7245

June 10, 1994

#### VIA REGULAR & CERTIFIED MAIL -RETURN RECEIPT REQUESTED

Dennis C. Brown, Esquire Brown and Schwaninger Suite 650 1835 K St., NW Washington, DC 20006

Re: Compliance File No. 94G001

Dear Mr. Brown:

This is in response to your letter of June 2, 1994, responding to the Commission's January 31, 1994 request for information pursuant to Section 308(b) of the Communications Act of 1934, as amended.

Your response on behalf of Mr. Kay is woefully inadequate and places Mr. Kay in jeopardy of Commission sanctions which include revocation of licenses, monetary forfeiture, or both. Nevertheless, we are modifying our request, based on Mr. Kay's stated objections, for the information requested in Item 5 of our letter.

In regard to Item 5, information submitted will be kept confidential by the Commission, and only 1 original and 1 copy of the information need be filed. We repeat our request for a list of users as of January 1, 1994, but will accept a list, as detailed in our January 31, 1994 letter, as of any date subsequent to January 1, 1994 convenient to Mr. Kay.

Finally, we caution Mr. Kay on two points. First, unless Mr. Kay is giving free radio service to all of his customers, operating an excess of 7,000 mobile units and control stations, this information is not only readily available to him but necessary in order to send out regular bills to those customers. Second, we notice that you, on behalf of Mr. Kay, appeared in the response to make unilateral rulings on the relevancy of the Commission's request. You do so at Mr. Kay's peril.

Having removed the basis for Mr. Kay's objections, we request him to submit the information in Item 5 of our January 31 letter by July 1, 1994, and repeat our request for a fully responsive reply to the other parts of our inquiry.



At this point we do not have information sufficient to determine whether applications 415060, 415243, 415255, 415274, 415303, 415304, 628816 and 632210 should be granted. We will, however, hold in abeyance our decision on dismissal of those applications until we review Mr. Kay's July 1st response.

Finally, we emphasize that we have been more than reasonable and cooperative in our request and in this modification of it, but we fully intend to carry out our statutory responsibility in this matter. Fairness requires us to warn you that your continued posture in this matter places all of Mr. Kay's licenses in jeopardy of revocation.

Sincerely,

W. Riley Hollingsworth

Deputy Chief, Licensing Division

WT Docket No. 94-147 WTB Exhibit No. 13.

#### **BROWN AND SCHWANINGER**

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GETTYSBURG OFFICE 1270 FAIRFIELD ROAD, SUITE 16 GETTYSBURG, PENNSYLVANIA 17325

June 17, 1994

W. Riley Hollingsworth, Deputy Chief Licensing Division Private Radio Bureau Federal Communications Commission Gettysburg, Pennsylvania 17325

Re: Compliance File No. 94G001

Dear Mr. Hollingsworth:

We represent the radio system interests of James A. Kay, Jr. before the Federal Communications Commission. On behalf of Mr. Kay, we respectfully request that the Commission grant an extension of time within which to respond further to the Commission's request for information in the above-referenced matter.

As you know, in the matter of James A. Kay, Jr. v. FCC, Civil Action No. 94-1105-CRR, Mr. Kay has requested that the Federal District Court for the District of Columbia order disclosure of a complaint or complaints which you had stated had been submitted against Mr. Kay by unnamed members of the public. Federal District Court Judge Charles Ritchey today ordered the Commission to provide Mr. Kay with a detailed index, pursuant to the holding of Vaughn v. Rosen, 484 F.2d 820 (D.C. Cir. 1973), cert. denied, 415 U.S. 977 (1974), subsequent appeal, 523 F.2d 1136 (D.C. Cir. 1975), of documents which Mr. Kay had requested be withheld purusant to the Freedom of Information Act, 5 U.S.C. §552. Judge Ritchey required that the Commission provide the Vaughn index by July 29, 1994. Judge Ritchey provided Mr. Kay with an opportunity until August 12, 1994, to respond to the Commission's Vaughn index. However, you have requested that Mr. Kay submit certain information in response to the reported complaint or complaints no later than July 1, 1994.

To date, the Commission has not disclosed to Mr. Kay the complaint(s) which reportedly formed the basis for its request for information. To date, Mr. Kay has refused to contribute to what he regards as a Star Chamber proceeding in which the Commission has refused to tell Mr. Kay with specificity what he is accused of having done wrong.



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To give Mr. Kay a fair opportunity to be informed as to the factual basis, if any, of the Commission's request for information before the Commission demands that he attempt to submit information responsive to those complaints, we respectfully request that the Commission extend the time for Mr. Kay to respond to the Commission's request dated January 31, 1994, as amended, until 30 days after the conclusion beyond further appeal of the current Federal District Court litigation. Such a grant of extension of time will save both Mr. Kay and the Commission the burden of litigating a request to the court for a stay of the date for Mr. Kay to respond to the Commission's request.

Respectfully submitted,

Dennis C. Brown

WT Docket No. 94-147 WTB Exhibit No. 14.

## **Federal Communications Commission**

1270 Fairfield Road Gettysburg, PA 17325-7245

June 22, 1994

# VIA REGULAR AND CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Dennis C. Brown, Esquire Brown and Schwaninger Suite 650 1835 K Street, N.W. Washington, D.C. 20006

Re: Compliance File No. 94G001

#### Dear Mr. Brown:

This is in response to your letter of June 17, 1994, requesting yet another extension of time to respond to the Commission's January 31, 1994 request for information pursuant to Section 308(b) of the Communications Act of 1934, as amended.

Your request for an extension of time on behalf of Mr. Kay is denied. As stressed to you in our most recent letter, dated June 17, 1994, written in response to your June 2, 1994 letter to us, we have been more than reasonable and cooperative in our request for information and in the modifications made on behalf of Mr. Kay regarding our request.

We believe that the numerous requests for extensions of time, copyright notices and Freedom of Information Act (FOIA) requests filed with the Commission subsequent to our January 31, 1994 information request are dilatory tactics meant to discourage the Commission from carrying out its statutory responsibility in this matter. Approximately five months have elapsed since we made our initial request. To date, Kay has failed to provide us with the requested information.

In your most recent letter, you refer to our request for information as a "Star Chamber proceeding in which the Commission has refused to tell Mr. Kay with specificity what he is accused of having done wrong." Please be advised that the Commission has not accused Mr. Kay of doing anything wrong. The Commission has exercised its authority, granted by Congress, to request additional information from Mr. Kay, as a licensee and applicant, in order to resolve its valid concerns over the construction, operation and mobile loading of his systems.



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We were surprised that Mr. Kay did not provide us with the licensing information which was readily available to him, but instead requested multiple extensions of time and a request that any information provided would not be used in any future criminal prosecution. He additionally submitted four separate FOIA requests, seeking, inter alia, every document ever submitted to the Commission since 1992, referencing his name, as well as the phone logs of five Commission employees, the Gettysburg Licensing Division's long distance phone bills for the past year, and records of all visitors to our Gettysburg Licensing Division during a fourteen month period.

We were most surprised that after collecting and releasing over 1000 documents to Mr. Kay, he appealed the Commission action. After spending even more valuable resources responding to the appeals, Kay filed an action in the D.C. District Court (Case Number 94-1105), seeking costs and attorneys fees related to the FOIA requests, as well as filing a "Petition for Review and Inspection of Employee Conduct", requesting our Chairman's review and inspection of the conduct of one of our engineers. In this petition, Kay seeks disciplinary action and approximately \$5,000.00. Kay is apparently attempting to tie up the Commission's scarce resources by having the Commission spend its time responding to his novel requests and appearing in Court, in the hopes that the Commission will be unable to direct its attention towards the matter at hand. Kay's energies would be better spent if he took the time to fully respond to our initial request for information.

Please be reminded that failure to provide the information requested in our January 31, 1994 inquiry letter constitutes a violation of the Commission's Rules and will subject Kay to sanctions, as well as a hearing before an Administrative Law Judge to determine whether Kay's licenses should be revoked. We repeat our warning to Kay that his continued posture in this matter places all of his licenses in jeopardy of revocation.

Sincerely,

W. Riley Hollingsworth

Deputy Chief, Licensing Division